

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

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**ADP BULLETIN**

Title  Realignment of 2011, Alcohol and Other Drug Services and Funding		Issue Date: October 7, 2011 Expiration Date: N/A	Issue No.  11 - 11
Deputy Director Approval  dave neilsen Deputy Director Program Services Division	Function: [ ] Information Management [ ] Quality Assurance [ X ] Service Delivery [ X ] Fiscal [ ] Administration [ ]	Supersedes Bulletin/ADP Letter No.  N/A	

**PURPOSE**

This bulletin updates counties and the provider network on the realignment of State alcohol and other drug (AOD) programs and informs counties and the field of important implementation actions.

**DISCUSSION**

As part of the Fiscal Year (FY) 2011-12 enacted State Budget and accompanying law (Chapter 40, Statutes of 2011 [Assembly Bill (AB) 118] and Chapter 13, Statutes of 2011, First Extraordinary Session [ABX1 16]), funding for specific state AOD programs is moved from the State to local governments to meet local community needs and priorities. The programs that are realigned are as follows:

1. Women's and Children's Residential Treatment Services
2. Comprehensive Drug Court Implementation Act
3. Drug Court Partnership
4. Dependency Drug Courts
5. Non-Drug Medi-Cal Perinatal
6. Non-Drug Medi-Cal Regular
7. Drug Medi-Cal

**Programs and Funding:** Under Realignment 2011, state sales tax will comprise the dedicated revenue to support these programs. The revenue will be deposited into the newly created Local Revenue Fund 2011 that contains several accounts for the realigned funds, one of which is the Health and Human Services (HHS)



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Account. Per AB 118, a percentage of the Local Revenue Fund 2011 will be allocated to the HHS Account. The HHS Account contains four Subaccounts for AOD services. These four Subaccounts are:

- Women's and Children's Residential Treatment Services
- Drug Court
- Non-Drug Medi-Cal Substance Abuse Treatment Services
- Drug Medi-Cal (DMC)

Note that the Drug Court Subaccount would cover the following programs:

- Comprehensive Drug Court Implementation Act
- Drug Court Partnership
- Dependency Drug Courts

The Non-Drug Medi-Cal Substance Abuse Treatment Services Subaccount would cover the following programs:

- Perinatal Services
- Alcohol and Other Drug Services

Pursuant to AB 118, counties are to establish local accounts for the realigned funds. As such, counties must create a local Health and Human Services Account within the County Local Revenue Fund 2011 where monies will be deposited. Counties should ensure adequate tracking of AOD funds for audit purposes. Revenues deposited for the four AOD subaccounts will be disbursed by the State Controller's Office (SCO) to counties on a monthly basis for the purposes specified in Government Code Section 30025 (f)(7). The monthly disbursements are scheduled to begin in early October 2011, per the schedule provided by the Department of Finance.

The effective date of realignment for State AOD programs and funding is July 1, 2011. ADP is only authorized to reimburse counties for DMC services under the State-County NNA (Negotiated Net Amount)-DMC contract for services provided through August 31, 2011. Those state costs will be reimbursed at a later date.

For counties where DMC providers have a DMC direct contract with ADP, the State will continue to work with the providers and counties to ensure that DMC services are available either through a county contract with the provider, a county contract with another county, or a county contract with ADP. The complete transfer of these contracts must be accomplished no later than December 1, 2011.

**Allocation Schedule of Disbursement:** The Department of Finance has submitted an allocation schedule to the SCO for distributions for the AOD subaccounts. Attached is a summary of the county allocation percentages provided to the SCO for use in disbursing the funds deposited in the AOD subaccounts for the September, October, and November 2011 allocations. Further allocation schedules will be provided by the DOF later in FY 2011-12.

As the Department of Alcohol and Drug Programs implements the provisions of Realignment during FY 2011-12, discussions with DOF and the County Alcohol and Drug Program Administrators Association of California will continue to further refine subaccount distributions and claiming processes pursuant to AB 118.

For the Women's and Children's Residential Treatment Services Subaccount, Drug Court Subaccount, and the Non-Drug Medi-Cal Substance Abuse Treatment Services Subaccount, the allocation percentage is based on each county's share of the FY 2010-11 statewide total. County allocation percentages for these subaccounts are not expected to change in FY 2011-12.

For the DMC Subaccount, the allocation percentage is based on prior year county contract amounts or the amount of DMC claims generated by services to a county's beneficiaries. The DMC Subaccount disbursement percentages may be adjusted during FY 2011-12 based on additional data received.

**County-State Contracts and Direct Drug Medi-Cal Contracts:** Under existing law and the recently enacted realignment statutes (AB 118 and ABX1 16), the State-County contracts will be amended to reflect the changes in law. The law allows counties flexibility to contract with other counties or with ADP for the delivery of DMC services. ADP is committed to assisting counties with the realignment transition and is drafting amendments to the current State-County contracts. Instructions to counties and providers for any changes in the reimbursement process will be issued in a separate bulletin. For questions concerning DMC Direct Contracts, please contact:

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## **REFERENCES**

Chapter 40, Statutes of 2011 (AB 118)  
Chapter 13, Statutes of 2011 (AB 16, First Extraordinary Session)

## QUESTIONS

For other questions regarding this bulletin, please contact:

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## EXHIBITS

[Department of Alcohol and Drug Programs FY 2011-12 Allocation Percentages](#)

## DISTRIBUTION

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